

01-329

FCC FILED NOV 09 2001

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

THE WASHINGTON HARBOUR
3000 K STREET, NW, SUITE 300
WASHINGTON, DC 20007-5116
TELEPHONE (202) 424-7500
FAX (202) 424-7645
WWW.SWIDLAW.COM

NEW YORK OFFICE
THE CHRYSLER BUILDING
405 LEXINGTON AVENUE
NEW YORK, NY 10174
(212) 973-0111 FAX (212) 891-9598

November 9, 2001

VIA COURIER

Please Date Stamp & Return

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
P.O. Box 358145
Pittsburgh, PA 15251-5145

01-3291

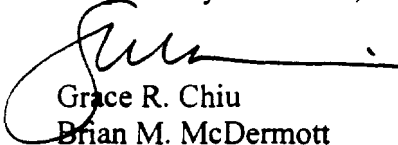
Re: **EXPEDITED CONSIDERATION REQUESTED**
Application for Approval of the Indirect Transfer of Control of the
Domestic Section 214 Authorization of DSLnet Communications, LLC
to VantagePoint Venture Partners

Dear Ms. Salas:

On behalf of DSLnet Communications, LLC ("DSLnet") and VantagePoint Venture Partners ("VPVP") (together, the "Parties"), enclosed please find an original and six (6) copies of the Parties' joint application for approval of the indirect transfer of control of the domestic Section 214 authorization held by DSLnet to VPVP. Concurrent with the filing of this application, the Parties also are filing an application for approval of the indirect transfer of control of the international Section 214 authorization held by DSLnet to VPVP.

Please date-stamp the enclosed extra copy of this filing and return it in the envelope provided. Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,


Grace R. Chiu
Brian M. McDermott

Counsel for DSLnet Communications, LLC

Enclosures

cc: George Li (FCC)
Claudia Fox (FCC)
Tracey Wilson (FCC)
Wendy Bluemling (DSLnet)
Richard M. Rindler

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

Approved by OMB
3060-0589
Page No 1 of 1

(1) LOCKBOX # **358145**

SPECIAL USE

FCC USE ONLY

SECTION A - PAYER INFORMATION

(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card)

Swidler Berlin Shereff Friedman, LLP

(3) TOTAL AMOUNT PAID (U.S. Dollars and cents)

\$815.00

(4) STREET ADDRESS LINE NO. 1

3000 K Street N.W.

(5) STREET ADDRESS LINE NO. 2

Suite 300

(6) CITY

Washington

(7) STATE

DC

(8) ZIP CODE

20007

(9) DAYTIME TELEPHONE NUMBER (include area code)

202-424-7500

(10) COUNTRY CODE (if not in U.S.A.)

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(11) PAYER (FRN)

0004-3539-00

(12) PAYER (TIN)

0132679676

IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)

(13) APPLICANT NAME

DSLnet Communications, LLC

(14) STREET ADDRESS LINE NO. 1

545 Long Wharf Drive

(15) STREET ADDRESS LINE NO. 2

Fifth Floor

(16) CITY

New Haven

(17) STATE

CT

(18) ZIP CODE

06511

(19) DAYTIME TELEPHONE NUMBER (include area code)

203-772-1000

(20) COUNTRY CODE (if not in U.S.A.)

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(21) APPLICANT (FRN)

0004-3248-51

(22) APPLICANT (TIN)

0061523903

COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(23A) CALL SIGN/OTHER ID

(24A) PAYMENT TYPE CODE

CUT

(25A) QUANTITY

1

(26A) FEE DUE FOR (PTC)

\$815.00

(27A) TOTAL FEE

\$815.00

FCC USE ONLY

(28A) FCC CODE 1

(29A) FCC CODE 2

(23B) CALL SIGN/OTHER ID

(24B) PAYMENT TYPE CODE

(25B) QUANTITY

(26B) FEE DUE FOR (PTC)

(27B) TOTAL FEE

FCC USE ONLY

(28B) FCC CODE 1

(29B) FCC CODE 2

SECTION D - CERTIFICATION

(30) CERTIFICATION STATEMENT

I, M. Renee Britt, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.

SIGNATURE

DATE

11/19/01

SECTION E - CREDIT CARD PAYMENT INFORMATION

(31)

☐

MASTERCARD

MASTERCARD/VISA ACCOUNT NUMBER:

EXPIRATION

DATE:

☐

VISA

I hereby authorize the FCC to charge my VISA or MASTERCARD for the service(s)/authorization herein described.

SIGNATURE

DATE

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)
)
DSLnet COMMUNICATIONS, LLC)
)
And)
)
VANTAGEPOINT VENTURE PARTNERS)
)
Application for Authority Pursuant to)
Section 214 of the Communications Act of 1934,)
as Amended, to Transfer Indirect Control)
of DSLnet Communications, LLC,)
an Authorized Domestic Carrier,)
to VantagePoint Venture Partners)
_____)

File No. CC 01-329

JOINT APPLICATION FOR INDIRECT TRANSFER OF CONTROL

I. INTRODUCTION

DSLnet Communications, LLC (“DSLnet”) and VantagePoint Venture Partners (“VPVP”)¹ (together, “Applicants”), by their undersigned counsel and pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (1982) (the “Act”), and Section 63.01 of the Commission's Rules, 47 C.F.R. § 63.01 (2000), hereby request authority for the indirect transfer of control of DSLnet’s blanket domestic Section 214 authority to VPVP.

A. Summary of the Indirect Transfer of Control

As described more fully below, the indirect transfer of control will occur as a result of a

¹ VPVP for purposes of this application is comprised of four affiliated private investment funds: VantagePoint Venture Partners III (Q), L.P., VantagePoint Venture Partners III, L.P., VantagePoint Communications Partners, L.P. and VantagePoint Venture Partners 1996, L.P. (collectively, the “VPVP Funds”).

private equity financing transaction whereby VPVP will acquire control of DSLnet's holding company parent, DSL.net, Inc. ("Transaction"). As a result of the Transaction, VPVP will increase its ownership interest in DSL.net, Inc. from its current level of approximately 33.9 per cent to approximately 71.1 per cent, and VPVP will have the ability to designate a majority of the Board of Directors of DSL.net, Inc. The equity financing transaction, therefore, will cause an indirect transfer of control of DSLnet to VPVP.

B. Request for Expedited Consideration

Applicants respectfully request expedited consideration of this application in order for DSLnet to realize certain financial benefits that are essential to its continued operations. Because immediate receipt of the proceeds from the Transaction is critical, Applicants request that the public notice period for this application be shortened from 30 days to 14 days and that the Commission approve this application on an expedited basis to allow DSL.net, Inc. and VPVP to complete the proposed transaction as soon as possible.

In support of this application, Applicants provide the following information:

II. THE PARTIES

A. DSL.net, Inc. – Transferor

DSL.net, Inc. is a Delaware corporation engaged in a variety of unregulated businesses. DSL.net, Inc. holds no regulatory licenses from this or any other regulatory commission. DSL.net, Inc. is the sole member and managing entity of DSLnet Communications, LLC, an authorized U.S. domestic interstate common carrier.

B. VantagePoint Venture Partners – Transferee

VPVP is a member of a family of affiliated private investment funds with more than \$2.5 billion under management. VPVP for purposes of this application is comprised of four

affiliated funds: VantagePoint Venture Partners III (Q), L.P., VantagePoint Venture Partners III, L.P., VantagePoint Communications Partners, L.P. and VantagePoint Venture Partners 1996, L.P. None of the VPVP Funds hold any FCC authorizations.

C. DSLnet Communications, LLC - Licensee

DSLnet is a Delaware limited liability company with principal offices located at 545 Long Wharf Drive, Fifth Floor, New Haven, Connecticut 06511. DSLnet's sole member and managing entity is DSL.net, Inc. DSLnet holds domestic interstate Section 214 authority pursuant to blanket Section 214 authority conferred by Section 63.01 of the Commission's rules, 47 C.F.R. § 63.01. DSLnet is also authorized by various state public service commissions to provide facilities-based and/or resold local exchange and interexchange telecommunications services in 49 states plus the District of Columbia² pursuant to certification, registration or tariff requirements, or on a deregulated basis.

III. DESCRIPTION OF THE TRANSACTION

By this Application, DSLnet seeks Commission approval for an indirect majority transfer of control that will result from an equity financing transaction planned by DSLnet's parent holding company, DSL.net, Inc. Specifically, pursuant to agreements reached with VPVP, DSL.net, Inc. will issue and sell preferred stock and warrants to VPVP in exchange for VPVP providing \$15 million in equity financing to DSL.net, Inc. The investment will take place in three installments. As a result of the first installment, VPVP's ownership interest in DSL.net, Inc. will increase from approximately 33.9 percent to approximately 56.3 per cent. Following the second and third installments, VPVP's ownership interest in DSL.net, Inc. will be approximately 64.3 per cent and approximately 71.1 per cent, respectively. In addition, VPVP will have the ability to appoint a majority of the Board of Directors of DSL.net, Inc.

² Local exchange only.
390731.1

Both before and after the first installment, VPVP will have the largest controlling interest in DSL.net, Inc. However, because the Transaction will result in VPVP's ownership interest exceeding 50 per cent, the Transaction will also result in an indirect majority transfer of control of DSLnet. No other investor will acquire a ten per cent or greater controlling interest in DSLnet as a result of the Transaction.

Although the Transaction will result in an indirect transfer of control of DSLnet to VPVP, the Transaction will not involve a change in the name under or the manner in which DSLnet currently provides telecommunications services. Immediately following the Transaction, DSLnet will continue to offer the services it currently offers with no change in the rates or terms and conditions of service. DSLnet, moreover, will continue to be led by the same team of experienced telecommunications officers and personnel. The indirect transfer of control of DSLnet, therefore, will be transparent to consumers.

IV. PUBLIC INTEREST STATEMENT

Consummation of the proposed transaction is in the public interest. Through the Transaction, DSLnet will gain the opportunity to strengthen its competitive position through access to the increased financial resources of its parent, DSL.net, Inc. Moreover, the additional capital raised from the financing transaction will significantly enhance DSLnet's operational flexibility and efficiency, as well as its long-term financial viability. These enhancements will inure directly to the benefit of U.S. consumers of domestic interstate telecommunications services. As such, the Transaction will serve the public interest in promoting competition among domestic interstate carriers by providing DSLnet with the opportunity to enhance its working capital and strengthen its competitive position.

V. ADDITIONAL INFORMATION

(a) Name, address and telephone number:

Transferor: DSL.net, Inc.
545 Long Wharf Drive, Fifth Floor
New Haven, CT 06511
Tel: (203) 772-1000
Fax: (203) 624-3612

Transferee: VantagePoint Venture Partners
1001 Bayhill Drive, Suite 300
San Bruno, CA 94066
Tel: (650) 866-3100
Fax: (650) 869-6078

Licensee: DSLnet Communications, LLC
545 Long Wharf Drive, Fifth Floor
New Haven, CT 06511
Tel: (203) 772-1000
Fax: (203) 624-3612

(b) Transferor: DSL.net, Inc. is organized under the laws of the State of Delaware.

Transferee: Each of the private investment funds that make up VPVP is organized under the laws of the State of Delaware.

Licensee: DSLnet is organized under the laws of the State of Delaware.

(c) Correspondence concerning this application should be sent to:

For the Transferor and Licensee:

Grace R. Chiu
Brian M. McDermott
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
Tel: (202) 424-7500
Fax: (202) 424-7645

with a copy to:

Wendy Bluemling
Assistant Vice President
DSLnet Communications, LLC
545 Long Wharf Drive, Fifth Floor
New Haven, CT 06511

For the Transferee:

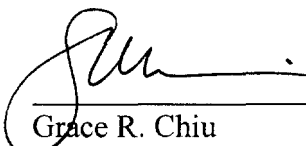
Rodi Guidero
Partnership Counsel
VantagePoint Venture Partners
1001 Bayhill Drive, Suite 300
San Bruno, CA 94066
Tel: (650) 866-3100
Fax: (650) 869-6078

- (d) Transferor: DSL.net, Inc. has not previously received authority under Section 214 of the Act.
- Transferee: None of the VPVP Entities has previously received authority under Section 214 of the Act.
- Licensee: DSLnet holds domestic interstate Section 214 authority pursuant to blanket authority conferred by Section 63.01 of the Commission's rules, 47 C.F.R. § 63.01.
- (e) By this application, Applicants seek authority for an indirect transfer of control of DSLnet, a non dominant common carrier holding blanket domestic Section 214 authority, to VPVP.
- (f) Concurrently with the filing of this application, Applicants are filing an international Section 214 application for approval of the same indirect transfer of control of DSLnet to VPVP.
- (g) VPVP certifies, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules (implementing the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 3301), that no party to this application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

VI. CONCLUSION

For the reasons stated herein, DSLnet Communications, LLC and VantagePoint Venture Partners respectfully submit that the public interest, convenience and necessity would be furthered by grant of this Application for consent to the indirect transfer of control of DSLnet Communications, LLC, an authorized domestic interstate telecommunications carrier, to VantagePoint Venture Partners. Applicants respectfully request expedited review of this Application, an abbreviated public notice period of 14 days, and immediate grant of the Application following the notice period in order to permit Applicants to consummate the proposed transaction as soon as possible.

Respectfully submitted,

By: 
Grace R. Chiu
Brian M. McDermott
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
3000 K Street, N.W., Suite 300
Washington, DC 20007
Tel: (202) 424-7742
Fax: (202) 424-7645

Counsel for

DSLnet COMMUNICATIONS, LLC

and

VANTAGEPOINT VENTURE PARTNERS

Dated: November 9, 2001

CERTIFICATION OF TRANSFEREE

On behalf of VantagePoint Venture Partners, I hereby certify that the statements in the foregoing Application for Section 214 authority are true, complete, and correct to the best of my knowledge and are made in good faith.

VantagePoint Venture Partners III (Q), L.P.

By: VantagePoint Venture Associates III, L.L.C., its
general partner

By: 
Name: **James D. Marver**
Managing Member

VantagePoint Venture Partners III, L.P.

By: VantagePoint Venture Associates III, L.L.C., its
general partner

By: 
Name: **James D. Marver**
Managing Member

VantagePoint Communications Partners, L.P.

By: VantagePoint Communications Associates,
L.L.C., its general partner

By: 
Name: **James D. Marver**
Managing Member

VantagePoint Venture Partners 1996, L.P.

By: VantagePoint Associates, L.L.C., its general
partner

By: 
Name: **James D. Marver**
Managing Member

November 12, 2001